NEPAL'S MULTIPLE CHALLENGES IN COMPARATIVE PERSPECTIVE[1]

Final Report for USAID
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Introduction

The goals of this report are four-fold: 1) To analyze Nepal's multiple challenges in the search for peace; 2) To assess the role and capacity of key actors to influence outcomes in Nepal; 3) To examine alternative conflict evolution and/or resolution scenarios in order to determine which is most likely for Nepal; and 4) To explore at least some aspects of the donor community's role, especially that of USAID, in order to suggest possible ways it might enhance prospects for peace. To accomplish these goals, the report will at various points place Nepal's experience and prospects in a broader comparative context, particular with regard to cases in Latin America. While the report's emphasis will remain on ways to advance conflict mitigation and peace processes in Nepal, the late August breakdown

[1] This report is based on information gathered from interviews, reports, news articles, and recent publications during the author's 1-14 August 2003 visit to Nepal, as preparations for a third round of peace talks between the government and the Maoist rebels entered a decisive phase. It also draws on other elements: knowledge gained from two previous trips to Nepal for USAID in January and May 2002; pre-departure and post-return visits with USAID and U.S. Government (USG) personnel in Washington D.C. in July and September 2003; and over two decades of research in Latin America, much of this in the field, into conflict, insurgency, peace processes and conflict resolution, and implementation. A significant challenge in preparing this report is the difficulty in assessing a situation that is very much in flux due to the breaking off of peace talks by the Maoists on 27 August 2003 and the return to armed conflict in Nepal. Such developments may result in an assessment that is being overtaken by events in some respects. Even so, one hopes that key aspects, especially those dealing with peace processes and transitions, will provide helpful reference points for consideration when conditions once again permit their renewal, as this observer believes they will. While none of the more than fifty individuals interviewed in Nepal in August 2003 is mentioned by name, the author wishes to express deep gratitude for their many insights that contributed in important ways to this report's preparation. Any errors of fact or interpretation are, of course, the author's alone. For additional background, especially with regard to the comparison of Nepal's Maoist insurgency with that of Peru and the specific Government of Peru (GOP) measures taken to overcome their people's war, the reader is referred to the author's "Nepal Report for USAID" of 22 January 2002. Further information and analysis, including an extensive review of sources and indicators to help monitor and analyze more systematically Nepal's political and conflict situation, may be found in Tom Marks and the author's "Nepal Report for USAID" of 4 June 2002.

of peace talks requires some consideration as well of how the Government of Nepal (GON) might better meet and overcome the recent recrudescence of political violence.

Context: Nepal's Multiple Challenges in the Search for Peace

Nepal is going through a difficult period in the search for resolution of a serious armed conflict. Political violence since the declaration of a "people's war" by Maoist rebels on 13 February 1996 has caused to date almost 8,000 lives and up to $5 billion in property damage. Most of the violence and destruction occurred between November 2001 (when the Maoists unilaterally broke off talks with the government and resumed their people's war) and January 2003 (when both sides again agreed to a cease-fire and peace talks). After two rounds of discussions in Kathmandu over several months in which the rebels made most of the demands and the government gave most of the concessions, both sides agreed in mid-August 2003 to begin a third round outside the capital that would focus on their respective political agendas.

Following just two days of meetings, however, the Maoists threatened to scuttle the talks unless their minimum demand – a constituent assembly – was met. When the government did not accept the rebels' stipulation, the Maoists declared the peace talks at an end and returned to armed conflict. In the four weeks following this latest rupture, bombings of government facilities has resumed and more than 200 have been killed. As this final report is being prepared, a three-day national work stoppage called by the rebels is in effect, virtually paralyzing normal pursuits in much of the country.

The uncertainty of the current situation is further complicated by the recent change of prime minister, on 4 June, and the decision of the major political parties to refuse to participate in what they see as an illegitimate government. Such uncertainty is compounded by a lack of consistency in the Maoist rebels' position. On the one hand, they agreed to a code of conduct with the government on 13 March that was intended to formalize the cease-fire. On the other, even as the first rounds of peace talks were being held, the rebels carried out increasing numbers of armed actions and extortion of payments from the local population, both clear violations of the code of conduct. The Maoists gave equally mixed signals regarding terms for the third round of talks with the GON, at one point suggesting the continuation

of the monarchy was not an insurmountable obstacle and then, as talks were beginning, asserting that only a constituent assembly would be acceptable.

Making matters even more difficult for the government is the way it put itself at a negotiating disadvantage in the first two rounds of meetings between January and May by accepting most of the Maoist demands rather than putting forth its own alternative proposals. The government has also often allowed the Maoists to take the propaganda advantage by not countering rebel public statements with an equally clear and forceful articulation of its own position. There are recent indications, though, that the government is beginning to remedy its past tendency to be reactive rather than proactive, as demonstrated by its ability to produce a comprehensive political agenda in August to serve as the basis for the third round of negotiations.

Nevertheless, given the progressive erosion of democracy and the weakened position of the GON as a result, government officials continue to find themselves in a disadvantageous position that will be difficult to overcome. In the context of the most recent breakdown of the peace negotiations, the Maoists have once again seized the strategic initiative. With the eventual reinitiation of peace talks uncertain at best, Nepal's brief history as a constitutional monarchy is unquestionably at a critical juncture.

Furthermore, the larger political context is, on balance, not favorable for the government either. Nepal's new and fragile democracy has been significantly undermined since May 2002, generating increased political uncertainty and reduced government legitimacy. The initial action involved the dismissal of parliament on 23 May 2002 and a declaration of a national state of emergency thereafter in the face of rapidly accelerating political violence. The prime minister at that time, Sher Bahadur Deuba, determined that conditions were not conducive to holding new elections within the six-month period stipulated by the constitution after any suspension of parliament. With the decision not to extend the terms of office of the thousands of elected officials at the District Development Committee (DDC) and Village Development Committee (VDC) levels and to replace them with officials appointed by the central government, the country lost most of what had remained of its democratic process.

There followed, on 4 October 2002, the intervention by King Gyanendra to dismiss Prime Minister Deuba and his cabinet and to replace him with his

own choice, Lokendra Bahadur Chand. When Prime Minister Chand resigned on 30 May, the king again intervened to replace him on 4 June with another personally selected successor, Surya Bahadur Thapa, even though he had previously indicated that he would accept the recommendation of the political parties. At this juncture, five political parties, including the two major groups, Nepali Congress (NC) and United Marxist Leninist (UML), determined that they would oppose what they saw as the king's arbitrary decision and begin to "agitate" against the government to try to force a change back to constitutional democracy. These parties have chosen to remain outside the peace process to date in spite of strenuous efforts by the government to bring them back in on their side, even though it is generally recognized that their involvement will be essential for the successful implementation of any peace agreement that might be reached.

With the government's change of prime minister and negotiating team in June, in the midst of peace talks with the Maoists, it was less prepared for the challenges of that process than its rebel counterpart. The government was further handicapped by its difficulty in maintaining a significant presence in much of the countryside outside the district capitals, which left the citizenry adrift and allowed the rebels to fill the vacuum created. In spite of the gravity of the situation and the need to take significant measures quickly to deal with multiple problems in the more remote districts and VDCs, there was a curious lack of urgency among much of the Kathmandu elite, particularly the party leadership and many government officials. Compounding the unfavorable dynamic for the government, at least until mid-August, was the tendency to relate to the peace process with ad hoc and improvised approaches rather than a carefully thought through strategy based on specific objectives and sequencing.

The ability of key GON officials to put together a realistic and well thought through political agenda for presentation at the 18-20 August peace talks with the rebels represents a significant positive development, suggesting that the government is indeed capable of making an effective response when challenged, and that the new team is better able to work together. Even though the rebels rejected the agenda almost immediately, there is now a clear and coherent proposal available. What still appears to be lacking, however, is a well thought through strategy for negotiation, an indispensable component of any future peace talks that might occur.

Key Actors: Role and Capacity to Influence Outcomes

Such a recounting of the multiple difficulties the government faces in dealing effectively with the peace process – particularly the erosion of democracy, the opposition of political parties, the absence of elected local officials, and a somewhat inchoate approach to negotiations – is not to suggest that it is without any advantages at all. A brief summary analysis of some of the most important actors in the present dynamic suggests that, however complex and difficult, the GON is far from being on the verge of collapse. These actors include the army and police, government in general and government development agencies in particular, the Maoist rebels, political parties, and India.

Army and Police

The 68,000 strong Royal Nepalese Army (RNA) has been expanding in size, level of training, and quality of equipment since first taking the field against the rebels in late 2001, thanks in part to various kinds of materiel and technical assistance provided by India, Great Britain, and the United States. The field experience gained also has helped to strengthen the RNA's military capacity and preparedness and to move it well beyond its historical role as a largely ceremonial institution. Furthermore, the RNA utilized the cease-fire to pursue a variety of civic action initiatives in some areas of the countryside in a bid to regain popular support and counter Maoist advances. The Armed Police Force (APF), though with just 15,000 personnel at present, has also gained significant field experience since its creation some three years ago, first as the front-line force to confront the rebels and then, after November 2001, as a complement to the RNA and under its authority in areas of operations.

Concerns remain, however. One is the government's capacity to mobilize and transport police and military forces quickly out to remote areas, given the limited number of helicopters available. Another is both the quality of the military and police institutions' intelligence gathering capacity and the ability to convert actionable information quickly into effective responses. A third is allegations of significant human rights abuses by government forces in the field. A fourth is a set of charges, ranging from venality to disorganization to poor utilization of materiel support, levied particularly at the APF and the regular police. On balance, though, both the RNA and the

AFP have improved their organizational and operational capacity over the past two years, and appear to be positioned to respond more effectively to rebel military threats than before. Less clear is how well both might be able to expand on the modest beginnings of the RNA's civic action programs, as much as officials recognize their importance for regaining local popular support.

Government Development Agencies

In addition, in spite of many difficulties, there appears to be an ongoing capacity for program implementation in at least some government development programs. While significantly handicapped by over-centralization, bureaucratic procedure, corruption, and political violence, a number of programs appear to have been able to function to a greater degree at both DDC and VDC levels than many accounts have suggested. Often operating with outside donor support or in conjunction with Non-Governmental Organizations (NGOs), specific development initiatives continue to reach their target populations in a variety of ways.

These include, among other steps, talking through the program with local Maoist political cadre and convincing them of its value; gaining citizen support for initiatives that generates local pressure on the rebels to let them go forward; and working in areas less affected by the insurgency. Some government representatives, particularly Ministry of Local Development (MOLD) personnel and DDC officials, as well as a number of outside agencies, have pursued such approaches that permit them to implement many of their programs in both affected and controlled VDCs with at least Maoist acquiescence – and even, at times, support. If the primary goal of local delivery of development assistance is to help Nepalese overcome the worst effects of poverty and marginalization, then the risk of providing government and donor resources for local programs for which the Maoists will take credit is one worth taking.

While no one can say with any degree of certainty the actual level of rebel control at the VDC level, a common observation bandied about in Kathmandu that the Maoists dominate 80 percent of the country and are poised around the rim of the Kathmandu valley for a frontal assault on the city seems exaggerated. The actual figure of VDC control by the rebels, as noted by various GON officials as well as others – all of whom spend much of their time in the field – may be closer to 500-700 of the 3,912 total (13 to

18 percent), with another 1,000 to 1,200 VDCs affected but not fully controlled by the Maoists (26 to 31 percent). If this is a reasonably accurate estimate, then local development programs can continue to be carried out in about 2,000 VDCs without serious interference by the rebels.[2]

While the information gathered on the capacity of government development entities is far from complete, it does suggest that some of the most important programs, such as those of MOLD and GON revenue sharing with DDCs and VDCs, continue to function with some effectiveness in many parts of Nepal, including areas affected or controlled by the rebels. To the degree that this is indeed the case, the value of continuing to support such efforts is clear.

The government's development agencies represent a set of contact points between the center and the periphery that deal with the key concern of relating the citizenry with meaningful programs. They appear to have the installed human and bureaucratic capacity to get things done – with the vital support of the international community, of course, which is supplying over 60 percent of GON development funds. This is a hopeful sign.

However, central government on the whole seems much better at planning than implementation. This shouldn't be too surprising. Central government in Nepal is relatively small, and partly as a result has a limited capacity to project its presence to the periphery. The civil service is merit-based and includes many well-educated and prepared professionals. The limited infrastructure and support system in most of the country outside Kathmandu discourages civil servants and their families from accepting assignments there. There are as well multiple positive incentives for the best and brightest officials to go to and try to remain in the capital. So, as in most unitary and merit-based system government bureaucracies, the cream rises to the top and goes to the center. The result is a high concentration of able civil servants in Kathmandu and the less able or less tested in the countryside.

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[2] If VDC buildings damaged is taken as a crude indicator of Maoist presence – 1,529 between 13 February 1996 and 8 November 2002 (39 percent) – then the conclusion that it may be possible to work in about half of the VDCs without having to work through the rebel "parallel government" could be a reasonably accurate estimate. Data from USAID map, *VDC Buildings Damaged*, 13 February 1996 – 25 November 2002, developed from information provided by the GON Ministry of Local Development. Such rough indicators must be qualified, however, by evidence that some VDC structures are left intact because the Maoists have rather full control, as in Rukum and Rolpa, for example.

The challenge is to find incentives that might encourage larger numbers of the most competent personnel to go to outlying areas more often and to remain there longer to work with local officials on the program implementation process.

Maoist Rebels

The Maoist rebels, with a so-called Revolutionary Army of perhaps 7,000 to 9,000, a militia estimated at 25,000, and a political cadre of some 50,000, have a number of advantages. Their leadership has been able to use neighboring India as a safe haven ever since the beginning of their people's war in 1996. Both their military and their political strategies have been more clearly thought through to date than the government's and have given them opportunities to advance their revolutionary project much further than most thought possible. Through bank robberies, kidnappings, and extortion, they have gathered significant resources – estimated to total from $30 to $100 million – to be able to finance their operations. The extremely difficult terrain, limited communications networks, and tenuous central government presence in much of Nepal's countryside combine to give them significant geographical and political space within which to operate. They have been able to exploit a number of local grievances based on caste and ethnic discrimination and central government abuses. There is also a long-standing presence in such core areas of operation as Rolpa and Rukum that is based on Marxist political proselytizing and organizing there going back to the 1960s.

However, the Maoists are not without significant challenges as well. In spite of a well-developed public relations strategy that presents the movement as a totally integrated and unified operation with high levels of popular support, the actual picture suggests significant divisions within the rebel organization. First, there appear to be major differences between the political and the military wings of the party on both ideological and strategic grounds, with the top political leaders Pushpa Kamal Dahal (Prachanda) and Dr. Baburam Bhattarai, both upper caste Brahamins, more willing to pursue a negotiated solution; while the head of the military wing, Ram Bahadur Thapa (Badal), a Magar, is adamant in his insistence on total revolutionary victory. This tension may explain the leadership's sometimes contradictory statements with regard to the peace process.

Secondly, although the Maoists preach popular unity, the caste differences both within the leadership, as well as between upper caste leaders and Dalit and other lower caste followers, produce social fissures and their almost inevitable accompanying internal tensions. Thirdly, the pursuit of resources through extortion and kidnapping alienates many at the local level, as do tactics of torture, forced recruitment, and the use on occasion of human waves to lead assaults on police stations or military encampments. There is, furthermore, evidence of significant differences within rebel controlled areas in the quality, capacity, and responsiveness of the local leadership. The key if unanswerable question at this juncture is whether such tensions within the leadership, between leaders and followers, and among the base population within the Maoist orbit significantly weaken the rebels' capacity to advance toward either a negotiated or a military solution.[3]

Such internal issues and relationships with local populations based to a significant degree on intimidation are challenges for the rebels but opportunities for the government, whether it is pursuing a military or a peace building solution to the conflict. Since the Maoists have chosen to return to their people's war mode, however, the military approach is the only option presently available to the GON. From the military standpoint, the armed forces need to be able to gather good intelligence, develop an effective psychological operations capacity, and have improved operational mobility to be able to respond well to the rebel challenge and to more fully exploit the chinks in the Maoists' armor to regain effective control over more of the country – beginning with rebel affected areas, where intimidation to ensure support appears to be greater, and later moving into the Maoist heartland.

However, military initiatives would need to be accompanied by the restoration and/or expansion of government-led programs and services to help the local population as well as to reinforce its identification with the

[3] A comparison between Nepal's Maoists and Peru's Shining Path, in many ways a similarly radical revolutionary movement that pursued many of the same approaches in the 1980s and early 1990s, is useful on this point. In Peru, an array of abuses, quite like those reported in Nepal, that were committed by Shining Path Maoists on the presumed beneficiaries of their own people's war, drove them away from the movement when the GOP began to operate responsibly in hitherto rebel-dominated areas. To the degree that the comparison is valid, the Maoists of Nepal may well be in the process of losing their own base of support in the countryside for the same reasons. If this is indeed the case, what remains to be seen is whether the GON will be able to exploit the opportunity as well as its Peruvian counterpart did under even more difficult circumstances. Among many sources on this topic see the author's "The Revolutionary Terrorism of Peru's Shining Path," in Martha Crenshaw, ed., *Terrorism in Context* (University Park: Pennsylvania State University Press, 1995), 249-308.

state. Anticipating the reestablishment of more secure local environments along with the possibility that peace talks will be resumed at some point, authorities would find it useful both strategically and instrumentally to work wherever possible with local rebel political officials (as some appear to be doing already). This could be carried out in a local context of limited amnesty, retraining, and reintegration, while simultaneously at the national level repeating the government's willingness to reenter meaningful negotiations with the Maoist leadership at any time.

Political Parties

While there were multiple political parties with representation in parliament before its dissolution in May 2002, the NC and the UML have dominated national and local politics since the establishment of constitutional democracy in 1990. Both now lead a five party coalition that opposes the government on grounds that it is no longer democratic. However principled their stand, they are not in a strong position at this time due to their generally poor record in office over the decade of democratic governments. The major parties' failure to deal effectively with the day-to-day challenges of governance (particularly the NC) along with their highly publicized internal quarrels and leadership splits, have generated widespread popular disquiet and a serious loss of legitimacy. Unless the present dynamic is reversed, the role of the parties in carrying out any peace agreement that might be reached is problematic at best.[4]

Nevertheless, no lasting conflict resolution is possible in Nepal without the restoration of democracy, whether in the context of military actions or peace negotiations. National, district, and village level elections are central to any such restoration, in which political parties would necessarily play a central role. The key impasse at this time is what amounts to an authoritarian rather

[4] Peru's experience with political parties under democracy and people's war in the 1980s was similar. The failure of two major mainstream parties to govern well between 1980 and 1990, even with large popular mandates and congressional majorities, led to the 1990 election of an "anti-party" alternative, Alberto Fujimori (1990-2000). However, Peru was able to overcome the multiple crises it faced at this time by making significant changes in its approach to governance and counter-insurgency in the face of an imminent threat of rebel success. Such actors as the military, the police, and the intelligence services were galvanized by the crisis to revamp their approaches to the conflict, while a strong elected president who eschewed party support implemented a set of economic programs that both righted the economy and targeted the rural poor with a variety of small-scale development initiatives. Further details may be found in the author's "Nepal Report for USAID," 22 January 2002, esp. 4-6, and his "Citizen Responses to Conflict and Political Crisis in Peru: Informal Politics in Ayacucho," in Susan Eva Eckstein and Timothy Wickham-Crowley, eds. *What Justice? Whose Justice? Fighting for Fairness in Latin America* (Berkeley: University of California Press, 2003), 233-254.

than a constitutional monarchy. The continuation of Nepal's major parties in "agitation" rather than support weakens any claim to legitimacy the government might have on the basis of the monarchy, itself weakened by the palace massacre of June 2001.

Perhaps one way to cut through this conundrum is to call for new elections. Though fraught with danger – to the physical well-being of the candidates, to the possibility that party leaders will continue to put short-term political advantage above the national welfare, and to an uncertain outcome – it may well be a risk worth taking in order to enhance government legitimacy and strengthen its hand in any future peace talks with the rebels, as experience elsewhere demonstrates.[5]

Both the UML and the NC have national organizations and the demonstrated capacity in the recent past to generate significant electoral support for their candidates at the local and district levels as well as for parliament. In the last elections the NC won more seats in parliament, while UML took a convincing majority of the VDC and DDC candidate slots. There are also several small parties with representation, including the monarchists (Rastriya Prajatantra Party – RPP) who now form the government, without full support from its party itself, and from whose membership the prime minister and cabinet have been appointed by the king.

Recent divisions have weakened the NC, with one faction supporting party head and former Prime Minister Girija Prasad Koirala and another backing the last elected prime minister, Sher Bahadur Deuba. This leaves the UML as the party most likely to lead a future elected government under the present electoral law. While with problems of its own, the UML has greater coherence and is less tainted by any extended past experience in forming a government. Given the multiplicity of ethnic, religious, and caste distinctions in Nepal and their under representation in a winner-take-all election system, however, there is a powerful argument for adopting some form of proportional representation. This would ensure that all voices would

[5] The case of El Salvador, for example, represents a dramatic example of a decision to hold elections (for a constitutional convention) in 1982 in the midst of generalized political violence. Their successful outcome turned out to be a turning point in the progressive reestablishment of a legitimate central government from the hitherto questionable legitimacy of a non-elected regime. They were followed by national elections in 1984 and 1989, even as fighting continued. The result was a significant strengthening of the hand of the government vis a vis both the rebels and the international community, even though a full peace agreement would not be secured until 1992.

be heard at the local and national levels, a position recognized in the government's political agenda.

However, since this new mode of electoral representation is already explicitly linked to the peace process and may well prove at some point to be a key element in negotiations, a commitment to hold elections soon is sufficiently important that it not be conditioned to success at the negotiation table. A felicitous outcome there is problematic at best and likely to be drawn out if and when peace talks do resume. Therefore, even though holding elections soon under the current system has a number of difficulties and uncertainties of its own, the advantages to the government of making such a commitment and carrying it through are significant. Among them are the facts that democracy would be restored, that parties would be brought back into the political process, that the resulting government would have greater legitimacy, and that the international community would be more comfortable in its relationships with officialdom.

India

Although the role in Nepal of a number of governments – including the United Kingdom, the United States, China, and Pakistan – are important, none has as great an impact in as many areas as India. From the long border to the number of road and rail connections, trade relations, water use issues, Ghurka recruitment, the Hindu religious affinity, and rebel refuge, India affects virtually all aspects of Nepal's internal affairs. Whether it be internal conflict or negotiations for internal peace, India's position is significant, even dominant.

Given this multifaceted relationship, one would expect that it would be in India's interest to work for conflict resolution in order to be assured of a peaceful neighbor, as its representatives in Nepal manifest is indeed the case. Puzzling, then, is why Indian authorities continue to allow rebel leaders to operate more or less freely in their country and to appear to influence the monarchy to take actions that seem to contribute to a further weakening of the legitimacy of the government. While some adduce sinister motives to India's positions as part of a master plan to gain greater influence and perhaps even suzerainty over its neighbor, it may also reflect the huge size of the country and the multiple centers of national, state, and local power that make policy coordination problematic, as well as other higher priority

regional concerns. Whatever the reality, India is in a position to affect outcomes in Nepal as no other outside actor can.

In summary, in the midst of all the problems Nepal is confronting at this time, there are several positive elements as well that can be derived from a review of some of the most relevant actors. The army and police are growing in capacity and competence. The government has an array of development programs, an established and competent bureaucracy, and an array of plans. The rebels, whatever their strengths, also have internal fissures and support maintenance issues that sap their capacity. The most important political parties have national organizations, strong local support networks, and installed capacity. There is also present a neighbor with the contacts, capacity, and influence to assist the GON in some critical areas.

At this critical juncture in Nepal's recent political history, the peace talks have been called off and political violence has resumed. While one cannot predict the course of events amidst the present turbulence and uncertainty, if we compare Nepal's situation with other similar cases of generalized political violence, it can be predicted with some confidence that the opposing sides will at some point return to the negotiating table to try to work out a peaceful settlement. Therefore, it is appropriate to explore peace process experiences and alternative scenarios in more detail to draw from them elements that might suggest ways in which Nepal could work through its own situation to a successful outcome short of revolutionary transformation.

Relevant Components of Peace Process Experiences

There are several core elements of peace processes between governments and rebels in other settings that may provide a clearer perspective on and insights into any negotiating dynamics that take place in Nepal.

1. Peace processes involving governments and rebels are invariably complex and difficult, and are almost never quickly resolved. The negotiations in El Salvador took about three years to work through to a peaceful settlement between 1989 and 1992; in Guatemala, some five years between 1990 and 1995; and in Colombia, four years between 1998 and 2002 before breaking down entirely. Therefore, the parties need to avoid raising unrealistic expectations among the affected population that quick or early resolution is likely.

2. Outside actors often play a critical role in peace processes, either in bringing the parties to the negotiating table in the first place or in helping the sides overcome impasses they are unable to resolve themselves. These may include specific governments, like the United States in El Salvador, which heavily supported the regime and worked quite openly to influence it to work for a negotiated peace; or in Guatemala, where the United States worked behind the scenes with both the government and the rebels. In Colombia, while the United States provided substantial economic and military assistance to the government, both the European Union and Cuba worked with the rebels to influence their involvement in negotiations, even though these efforts ultimately did not bear fruit. International organizations may also serve as crucial intermediaries: the United Nations missions in Nicaragua, El Salvador, and Guatemala; the Organization of American States (OAS) in these same countries, especially in electoral oversight once negotiations proved successful; or a group of "friendly countries," or guarantors, as in a case of resolving a long-standing border dispute between Ecuador and Peru. While sometimes it is possible for disputing parties to work through a solution without outside assistance, as in the 1987 Arias Peace Plan between the five Central American republics, most deep-seated conflicts need an outside actor that is respected by both sides to provide its good offices to help with their resolution.[6]

3. The advantage of legitimate democratic authority in strengthening the hand of the government in negotiations. The democratic bona fides of both El Salvador and Guatemala were not in question at the time of the negotiations. Therefore, the rebels could not enhance their own bargaining position by arguing that the government was illegitimate. Furthermore, the reality of democracy helped them see that there could be a place for them at the political table were a peace agreement to be achieved. Non-elected governments usually find themselves at a negotiating disadvantage in peace negotiations with insurgents for these reasons, as well as because such governments often are not as open to as wide a range of inputs from political and civic actors to

[6] For authoritative accounts of various conflict resolution processes in Latin America involving outside actors, see various chapters in Tommie Sue Montgomery, ed., *Peacemaking and Democratization in the Western Hemisphere* (Miami: North-South Center Press, 2000).

help them work through the process with due consideration for the concerns of these elements.

4. Mutual recognition that a stalemate exists, the need for both sides to have concluded that neither is going to win a military victory, and that both have more to gain by negotiating than by continuing to fight. This perception may be reached through military stalemate, domestic popular pressure for peace, the influence of a significant outside actor, such as the United States, or international public or organization pressure. Such recognition, whatever the source, will often produce the initiation of peace talks with a modicum of humility and sincerity by both parties. In Guatemala, this occurred when the rebels lost the support of their outside sponsor, Cuba, and in the context of general national fatigue after more than thirty years of combat. In El Salvador, U.S. support strengthened the government's hand, but serious negotiations began only after the rebels showed their continuing capacity for military action by surprise attacks in wealthy neighborhoods. Negotiations undertaken when one side or the other believes that it is either significantly stronger or weaker than the other are usually doomed to failure.

5. The absence of mutual trust at the outset of talks is almost inevitable, and requires careful selection of representatives, careful handling of procedural questions, and deft management of the issue sequencing process so that mutual confidence can slowly be built up by resolving less tendentious issues first. In both Guatemala and El Salvador, the presence of a United Nations peacekeeping mission and careful background preparation helped overcome a lack of trust by providing a neutral party that both sides acknowledged as legitimate. In Colombia, after failing to make progress in bilateral talks, both sides agreed on an independent outside individual, James Lemoyne, to help them through the process. His inability to achieve a breakthrough was due to a continuing lack of trust too great to overcome due largely to the failure of an earlier agreement in 1984, when a large guerrilla force lay down arms and became a political party, only to have hundreds of its members assassinated. So negotiators always need to be prepared for delays, setbacks, and even interruptions in the peace process, and to have thought through contingency planning for such eventualities.

6. No solution is possible without adjustments in the initial positions of each side. This reality makes it particularly important to have a negotiating process that is closed and confidential, a designated spokesperson to provide general information on progress so that the public is kept aware of what is happening, and a regular opportunity for the designated negotiators to consult the various elements of their respective constituencies. All successful peace processes have this component, but the Peru-Ecuador border dispute resolution is particularly relevant, where Ecuador's negotiators constantly consulted with key domestic actors and Peru's did not. When the late 1998 breakthrough finally occurred, such prior consultations in Ecuador contributed to general public acceptance, or at least acquiescence, even though its side gained less in the final settlement. In Peru, on the other hand, there were riots and protests because the public, left uninformed, had reached the conclusion that there would be no concessions at all in any agreement that might be reached. The compromises that both governments need to make in peace negotiations to achieve an agreement that they can live with almost inevitably mean changes in deeply held positions. Premature public disclosure can embarrass one party or the other sufficiently to force it to recant or deny, thereby impeding progress toward resolution and very possibly even scuttling the negotiating process entirely.

7. Financial incentives may play a significant role in helping the parties achieve an agreement, either through coordination between governments or outside intermediaries and the International Financial Institutions (IFIs), for example, or between rebels and NGOs or "friendly" governments. With some assurance that there will be a set of externally financed programs of reconstruction, resettlement, retraining, and redevelopment if an agreement is reached, both sides have an added incentive to reach a definitive settlement. In El Salvador and Guatemala, for example, the Inter-American Development Bank (IADB) and the World Bank offered significant support packages as part of a comprehensive peace agreement, along with USAID and a number of European Union member NGOs. In the Peru-Ecuador dispute, there was a separate set of negotiations among the parties with the IFIs in Washington, which developed a $1.5 billion package of border integration development proposals conditioned to satisfactory conclusion of peace negotiations. The promise of new resources will not usually be sufficient by itself to

ensure agreement, but in the context of other favorable elements, such as those noted above, can provide a final determining impetus for settlement.

8. As significant as achieving a peace agreement is, no accord can hold without effective implementation of its various components. In El Salvador, follow up proceeded slowly through reentry into the political system of the former combatants as a political party, retraining of ex-military elements for incorporation into the police and the military or back into society, disarmament overseen by the UN peacekeeping mission, and resettlement and reconstruction with government and outside resources. In Guatemala, there was a similar process in many ways, but with some resistance by hard liners that led to a number of extra-judicial killings, an erosion of democracy, and some loss of confidence and trust in the ability of the national political system to peacefully and effectively accommodate and absorb the ex-combatants. Peru's experience with Shining Path never involved negotiations between the government and the rebels, but effective implementation of several initiatives as part of the effort to end the rebel threat had positive results. One was a set of programs that allowed rebel sympathizers to reintegrate into society. Another provided an array of targeted small micro-development programs at the local level that concentrated on the poorest areas of the country (often also the most conflicted). The results of both were impressive – several thousand individuals availed themselves of the offer to be reincorporated, and extreme poverty in Peru's poorest and most vulnerable rural areas was reduced by over half in a five-year period. In short, any successful peace negotiation must be followed by the equally if not more difficult challenge of effective implementation of agreements reached.

No two peace processes or conflict resolution dynamics are alike, given historical forces, cultural factors, ethnic divisions, religious heritages, economic capacities, and the role of external actors. However, significant progress can often be made and breakthroughs achieved in spite of multiple resistances and impediments, as some of the comparative cases illustrate.

Nepal and Comparable Peace Process Scenarios

Given Nepal's current situation in the comparative context of key peace process elements drawn from the experience of several Western Hemisphere cases, as noted above, what outcome is the most likely for this beleaguered mountain kingdom? Given the different ways that the dynamics of recent insurgencies in Latin America have played out to date, several alternative scenarios can be drawn from their experiences that can provide perspectives on how Nepal's own specific peace process dynamics might play out.

Five Scenarios Drawn from Latin America

One is the El Salvador scenario, the successful resolution of conflict through negotiation and implementation. Government and rebels were able to work out a peace settlement that brought the insurgents back into the political system as a political party of the left. It also included the turning in of arms by the rebels and their retraining and reintegration into society as farmers, tradespeople, and members of the national police or armed forces. In the ten years since the agreement, electoral politics have become routinized at both the national and local levels. The left has gained over time a majority of elected mayorships and municipal councils as well as an increase in its congressional representation to become the second largest political party in the country. The former rebels may even be in a position to win the presidency in the upcoming 2004 national elections.

A second is the Peru scenario, an example of successful resolution of conflict through defeat of the Maoist rebels of Shining Path. Although the insurgents were never willing to engage in negotiations and at one point, after more than a decade of people's war, appeared to be poised to win a military victory, the government was able to regroup and decisively overcome the challenge. It did so through major changes in the military's approach to the insurgency that involved better intelligence, smaller and more precise field operations, numerous civic action initiatives in affected communities and neighborhoods, and both training and modest arming of local civil defense committees that had emerged to try to prevent the guerrillas from successful attacks on their villages. The government also instituted special courts to try captured rebels quickly and instituted a "repentance law" to encourage defections and provide support to reintegrate the former Shining Path sympathizers and militants back into society. In addition, authorities began a new set of small microdevelopment programs in Peru's poorest localities that residents selected on the basis of their own individual priorities and took responsibility to organize the community to

implement. The results of this multifaceted approach produced a rapid and impressive reduction in conflict, significant reduction of extreme poverty, the restoration of a continuing government presence in Peru's periphery, and an increase in citizen security. While Shining Path has recently shown new signs of life, it remains small and isolated and poses no threat to most citizens or to the state.

A third scenario is Colombia, where major efforts by the government between 1998 and 2002 to engage the rebels in peace negotiations ultimately failed, and conflict resumed. Although guerrilla activity remains high and well financed by access to drug trafficking resources, the government has become stronger both militarily, through significant U.S. support of Plan Colombia, and politically, by retaining a democratic process with significant citizen support in spite of multiple obstacles and continuing high levels of political violence. The rebels have been forced onto the defensive and have lost most of their domestic and international support by their sabotage of the peace process and intemperate terrorist actions. While resolution of the conflict remains more a hope than a reality at this time, the government appears to be gradually regaining the initiative, and Colombia may soon be able to return to a more normal and more secure political reality. New peace talks could well be an element of this process.

The fourth scenario is that of Guatemala, which also went through a long and arduous peace process that produced, as in El Salvador, a successful negotiated settlement between the government and the insurgents with many of the same elements, but without effective implementation. Unfortunately, not all relevant actors were willing to accept the outcome, and some have engaged in selective assassination and disruption during the past eight years. In addition, some political leaders have acted irresponsibly as well, producing over time a gradual erosion of democratic form and practice. While the agreement remains in place, there is much concern that reality on the ground is slowly producing a situation in which larger scale political conflict and violence could return at any time.

The fifth and final scenario is Nicaragua, where the insurgents defeated militarily a non-elected government that refused to make accommodations and engaged in massive repression against the population, provoking widespread citizen rejection of the regime and a complete loss of support by the international community. The victorious Sandinistas moved to consolidate their revolution, but in the course of doing so committed their

own excesses, provoked the intervention of the United States through surrogate counter-revolutionaries, and gradually alienated many of their own citizens. When the Sandinistas held national elections in 1990, with full expectation of victory, they were surprised by their defeat at the polls. While the more open democratic process that resulted was far from complete or even effective, it has been able to maintain itself for more than a dozen years and appears likely to continue.

Nepal's Most Likely Peace Process Scenario

Which of these five scenarios drawn from Latin American experiences best reflects the likely dynamic in Nepal's own efforts to find a solution to the country's political violence?

Nepal is in a particularly difficult moment at this time. The government lacks the legitimating effect that democratic status would provide and is further weakened, at least until recently, by a seemingly improvisational approach to the peace process. The Maoists, for their part, have pursued a superior strategy that exerts constant pressure with sets of demands designed to keep the government off balance and on the defensive. In addition, both sides' determination up to now to try to work out a peace process without outside intermediaries seems on balance to have favored the rebels and to have worked against the government. Furthermore, with the decision by the major political parties to oppose the current regime, the government is further limited in its ability to participate in the peace discussions from a position of relative strength. Adding to the uncertainty is the way in which the rebels have used the peace talks, not to find a solution to the conflict, but as a strategic ploy to regroup before launching another military campaign, as they have done in the past. Finally, the widespread perception, advanced by both sides, that an agreement could be hammered out quickly once they sat down together and began to negotiate seriously is completely at odds with experiences elsewhere and created expectations among the general public that were bound to be dashed.

Nepal's situation is further complicated by its neighbor, India, whose government is in a position to play a significant role in the process and is doing so in multiple ways – from providing military assistance and advice to the king, on the one hand, and yet on the other continuing to give the Maoist leadership safe haven and strongly opposing a role by the United Nations (which has offered its assistance). From an outside perspective, it would

seem that India's interests in Nepal would be best advanced by its wholehearted and unequivocal support for the government in the peace process. Some, however, see India's involvement as contributing to the perpetuation and exacerbation of Nepal's internal crisis and setting the stage for an eventual direct intervention. Whatever India's motivation and ultimate objective, however, there is no question but that its role will be a significant, perhaps even vital, factor in the Nepal conflict and its eventual denouement.

Given these multiple considerations as they bear on Nepal's peace process, the "best case" scenario represented by El Salvador's experience is unlikely to be achieved unless the government is able to bring back the political parties on its side by restoring democracy and develops a more effective negotiating strategy, and until the Maoists become convinced that a genuine negotiated solution is in their interest as well. The evidence available also suggests that the "worst case" scenario of Nicaragua is an equally remote possibility unless it turns out that the RNA and the Armed Police are much weaker than they appear and that the Maoists have more popular support and armed strength than seems to be the case at this time. With the break down in talks and rebel resumption of their people's war, the Peru scenario is a distinct possibility if the military and police gain a greater intelligence capacity and tactical mobility to go with their superior numbers and equipment, and the Maoists suffer a loss of local support and significant defections as the result of their terrorist tactics. The likelihood of a Guatemala scenario for Nepal is premature, because there has been to date no real advancement in the peace negotiations and thus no accord that fails to be implemented fully. However, the Guatemala scenario also conveys a warning for Nepal if and when a peace accord is reached concerning the pitfalls of incomplete implementation.

While nothing is certain at this point, the scenario that seems most probable is that of Colombia, in which neither the authorities nor the rebels can agree on terms for peace and violence resumes, but with the advantage slowly shifting towards the government as it gains greater military capacity through outside support and the insurgents find they are unable to retain their earlier strategic and tactical advantages. This scenario is now developing in Nepal with the breaking off of peace talks and, among other Maoist initiatives, an urban terrorist campaign directed at the capital – much as Shining Path initiated in Peru in the late 1980s. In Peru's case, it was this urban terrorism that finally galvanized the elites to change their approach to dealing with the insurgency, a change that eventually produced results. While Nepal's

situation is different because it has involved peace talks by the parties to the conflict, it may take such an event to convince the government that it must change its approach to resolve the conflict. In this context, the possibilities for future negotiations will increase if both sides conclude that stalemate rather than victory is the most probable outcome.

At such a juncture, a peace agreement becomes a more likely possibility, though not without a lengthy period of working through the issues. The inevitable adjustments that will have to be made for any negotiated breakthrough, as drawn from other experiences, vary with the relative strength of each side, the quality and skills of the negotiators, the pressures brought to bear by civil society, and the influence of external actors.

What might be some of the balance points that could produce an agreement that both sides – and their constituencies – could live with? Drawing on the complex and multi-layered dynamics present in Nepal, one can discern a number of possible balance points that could be part of such an overall peace agreement. Such specific resolutions of issues need to be sequenced so that the points on which agreement might be more easily reached should be dealt with before the more difficult problems to help build mutual confidence and trust as well as momentum for further progress in the negotiations.

1) An interim government of transition within the context of a constitutional monarchy that includes invited representation by all major political parties – including the CPN (Maoist) – at the cabinet level.
2) Preparation for national and local elections by this transitional government at a date certain.
3) A change in the electoral law and/or amendment to the constitution that provides for representation in parliament by ethnic groups and women in some fixed proportion.
4) A change in the electoral law and/or amendment to the constitution that introduces proportional representation in place of first past the post for the election of members of parliament.
5) The continuation of the cease fire and the code of conduct, with specific steps toward demilitarization, beginning with the withdrawal of armed forces on both sides to specific designated locations.
6) The disarming of rebel combatants in the context of a general amnesty, the reduction in the size of the RNA and the Armed Police, and the retraining of selected ex-combatants for integration into the

national army and police, with other ex-rebels offered retraining for reintegration into national society.

7) Effective political decentralization that includes the principles of ethnic and gender representation, hiring and firing authority, and funding levels to ensure effective operation.
8) A strengthened CIAA with sufficient funding, authority, and capacity to effectively implement its anti-corruption mandate, thereby strengthening democratic legitimacy.

Such a set of negotiated balance points would be more likely to be achieved by both sides if there is a prior commitment by international and outside funding agencies to provide substantial new financial support to implement infrastructure and microdevelopment programs when a comprehensive peace agreement is reached. It is also likely that some of the more difficult steps, particularly any demilitarization and rebel disarming agreement, would need to involve the presence of a respected international entity, such as a United Nations peacekeeping mission, to be able to be carried out. Finally, serious negotiations have the best chance of advancing if they remain closed and confidential, with a single individual chosen to present general information to the media and the public.

The Role of the Donor Community, Especially the United States and USAID

The U.S. government position on Nepal in this difficult period seems to be clear and unequivocal – to assist in any way that it can to help the government overcome the crisis, restore democracy, and contribute to development by providing both military and economic support. A problem at this moment, however, is that U.S. government programs have recently been singled out for vitriolic attacks by the Maoists, who have gone so far as to demand the total withdrawal of U.S. military assistance as a condition for continuing the peace talks while simultaneously pressing for the elimination of all development assistance programs that include USAID resources. While Maoist threats of dire consequences have yet to be carried out, various programs and partners have had to adjust approaches and adapt to situations in the field. Given the present climate then, security considerations are often paramount, so any specific recommendations for U.S. support are necessarily conditioned by this reality. With resources available, an infrastructure of support in place, and a wide range of ongoing program

activities, however, suggestions at this time as to how some of these might be focused are certainly appropriate.

The kinds of programs to be pursued, however, vary with whether they are operating within a war scenario or a peace scenario. If the Maoist rebels continue their pursuit of the people's war, as they are doing as this report is being completed, the government has no choice but to pursue a military solution to the conflict. Within this war scenario dynamic, outside support takes quite different forms than if there were to be some kind of peace agreement. The operating assumption for such assistance, bolstered by evidence presented above, is that GON agencies and institutions have the capacity to utilize it effectively. Given such an assumption, several specific areas could be targeted for special attention:

1) Support for reinforcing and expanding the military's civic action activities.
2) Assistance for the reintroduction of the shield and support program of simultaneous military and development assistance in a few selected areas that are affected by but not controlled by the rebels.
3) Support for both a stronger public information capacity within the government and a psychological operations element within the military and police.
4) Reconstruction aid, directed largely through GON agencies such as MOLD, largely through programs they now have in place, in areas as they are reclaimed by RNA and Armed Police actions.
5) Channeling of some new resources to organizations that are able to operate in Maoist controlled areas, like the UNDP, even though this would mean less control over how those resources might be used.
6) In the context of a limited conditional amnesty, support for retraining and reintroduction into society of ex-Maoists.

Even as the war scenario unfolds, as it is doing at this moment, the peace scenario alternative needs to be planned for (i.e., it is not an either/or situation, but certainly there are more opportunities if programs are not threatened by violent reprisals). Since the government showed that it was not well prepared for the last round of peace talks, an opportunity exists to build capacity during the present period of renewed hostilities. This could focus on several specific areas where significant needs exist:

1) The peace talk facilitators are well intentioned, but new and inexperienced and have sought and clearly need guidance. Perhaps support could be provided to bring in conflict resolution experts, such

as Álvaro de Soto of the U.N. Peacekeeping Missions to El Salvador and Guatemala or Jennifer McCoy of the Carter Center, to meet with the facilitators to offer specific guidance based on their experiences.

2) The four-person task force appointed by the king at the outset of the peace talks is beginning to play the expert consultation role originally envisioned. Support could be provided to the task force to increase its technical capacity and to assist with staff expansion and training.
3) The Peace Secretariat has been set up within the last few months as a coordinating body to assist in whatever ways the negotiators request, and could play a significant role in facilitating conflict resolution. However, to be able to perform this kind of task, particularly one relating to follow-up and implementation support for any agreements that might be reached, the secretariat needs regulatory authorization. Were this to be provided, the value of outside assistance to the secretariat for effecting a transition to peace is substantially enhanced. The secretariat might also benefit from the presence of experts from comparable organizations in such countries as Peru – for example, its former director Solomón Lerner (Rector, Catholic University of Peru) or advisor Kimberley Theidon (Anthropology, Harvard University) – or South Africa –for example, advisor Terry Karl (Political Science, Stanford University).
4) At some point, rebuilding and reequipping will become a crucial part of the long-term conflict resolution process. An offer to provide significant support to these ends when partial or comprehensive peace settlements are achieved could be decisive, but while awaiting that moment the framework, process, and specifics of any such assistance need to be worked out.

In more general terms, an impressive aspect of the set of programs that USAID is supporting in areas of poverty reduction, decentralization, and microdevelopment, either through partners or directly with the government, seems to be able to continue in spite of the multiple challenges that the conflict has generated. While there are problems of coordination and rivalries among the large number of NGOs and international agencies, the degree to which individual partners or officers of government agencies, for that matter, such as MOLD or DDCs, can find ways to carry out specific programs in spite of multiple difficulties is impressive. Food for Work, revenue sharing, and Social Mobilization initiatives are among those that seem to have substantial local popular support, and through interactions with local Maoist political cadre, individual representatives of partners or

agencies are often able to continue to carry them out. If the number of affected and controlled VDCs is indeed no more than half of the country's total, there continue to be opportunities to work without systematic interference in a significant portion of Nepal's countryside.

Whether a military solution within the war scenario or a negotiated peace solution within the peace scenario is being pursued, the larger overall objective of U.S. support for Nepal remains the restoration and strengthening of democracy there. Nepal's new and fragile democracy was, as in Peru, unable to deal with the challenge posed by the insurgency in large part due to political parties that operated ineffectively and even irresponsibly when in power. While democratic forms have been restored in Peru, parties and party leadership remain weak and ineffective, leaving democracy's future in doubt. Furthermore, the effectiveness of delivery of programs and services by the elected government in Peru has also declined, further eroding democratic legitimacy. Nepal's present situation is even more uncertain, but steps may be taken now, even in the midst of conflict, to increase the chances for eventual restoration of democratic forms and practices on the input side of the political system and for better program and service delivery on the output side. Some might include the following:

1) Input side: Support for the reinforcing and expanding of party leadership and cadre training programs, perhaps through such organizations as the National Democratic Institute (NDI), the National Republican Institute (NRI), and the National Endowment for Democracy (NED).
2) Input side: Beyond the national leadership, there are thousands of ex-local elected officials who could be important targets for civic education, governance, and administrative practice training.
3) Input side: Both sets of activities would be conducted within the larger U.S. government policy context of pressing for the earliest practicable restoration of democracy through national and local elections, perhaps including a commitment to support, with other interested parties such as the Carter Center, Transparency International, and the European Union, outside election observers and monitors.
4) Output side: Nepal's new democracy, as those in a number of countries where democratic forms have been recently reestablished or undertaken, has been weakened by credible allegations of substantial corruption among a number of high officials and others in regular contact with the population. Given the importance of the corruption

issue for democratic legitimacy and the fact that an organization in Nepal, the CIAA, is already set up to deal with this problem, it is important to consider ways to provide specific support for training key personnel and enhancing its institutional capacity. Such measures would strengthen the CIAA's ability to serve as a respected autonomous agency to track down and enforce anti-corruption investigations and prosecutions.

5) Output side: How GON institutional capacity and effectiveness in the outlying districts might be increased is of great importance to the future viability of democratic practice in Nepal. "Hardship post" service might be rewarded with some combination of donor-provided salary supplements and support goods and services. This would encourage more capable professionals to serve there, thereby enhancing GON/donor programs. Another mechanism is for the government to have a field service requirement as a formal part of the civil service professional career that is fully implemented. In addition, the existing revenue sharing program with the DDCs and VDCs serves the GON effectiveness objectives in multiple ways. It gets local officials and citizens involved in the process. It utilizes central government's extractive capacity to transfer resources to the periphery. It serves to deliver programs and services, however modest. However, for such a program to work well, there needs to be accountability via an autonomous agency. Donor support, similar to that recommended for the CIAA, could enhance the capacity of such an entity.

Root Causes of Insurgency and Political Violence

This report would not be complete without a brief reflection on the underlying causes of large-scale political violence in Nepal in a comparative context. Peru and Nepal appear to be similar in important respects in this regard. People's war broke out in both at a time of open democracy and the presence of a number of Marxist parties with significant popular support and elected representation. Unlike the cases of Guatemala, El Salvador, and Nicaragua, there was no legacy in either Peru or Nepal of repressive and unrepresentative governments that kept dissident elements out of the political process and killed many of them for opposing and protesting their exclusion. Successful revolutions in most parts of the world, and particularly in Latin America, have occurred only in a context of political exclusion, repression, and authoritarian regimes.

While both Nepal and Peru have deep-seated poverty and a legacy of discrimination – of Indians in Peru and of lower caste groups in Nepal – in neither case have these sectors of the population taken up the banner of revolutionary transformation to overcome their inferior positions in society. The origins of political violence and the people's war in both cases may be attributed in large measure to an ideologically committed and educated few with strong and charismatic leadership able to galvanize support for their cause and persuade at least some sectors of the poor and discriminated against that they would be better off joining the rebels in the pursuit of revolution. The leaders' commitment to radical Marxist and Maoist ideology and a strategy that emphasizes voluntarism – the initiation of armed struggle even if objective conditions were not favorable – was designed to force a polarization that had not previously existed that would help to create favorable conditions for the pursuit of the revolution. This voluntarist strategy includes an expectation of inept government responses that would further their goals by demonstrating authorities' alienation from the population. In both cases, the central government had a presence in outlying areas, but was limited in its reach and often responded to attacks by withdrawing, thereby easing the way for the rebels to fill the spaces that the government left open.

In the dynamics of expanded political violence initiated by the people's war, the Maoists count on the negative economic effects caused by their actions, including loss of employment and government tax revenues, thereby heightening popular discontent, as well as to goad government into making operational mistakes that further weaken its legitimacy and standing. With what they perceive as a superior strategy and operational capacity, the rebels believe that they can gradually gain then upper hand and in due course force the government to collapse. In the Peruvian case, this came very close to happening, and a similar process is occurring now in Nepal, although at an earlier stage at this point in time. The GON has the advantage of international support and a growing military capacity, but still seems to lack the same galvanizing elements as occurred in the case of Peru that brought about significant adjustments just in time to be able to turn the tables on the Maoist rebels there by exploiting their weaknesses. The outcome is far from clear in Nepal; however, elements do exist for a favorable resolution if they can be strengthened and channeled constructively.